

## **STATEMENT OF PURPOSE**

### **RS21675**

Title 21, Section 21-114, presently requires that aircraft in Idaho be registered with the Department.

We propose to increase aircraft registration fees from one cent per pound of aircraft to three cents per pound of aircraft to recoup part of the lost revenue value since the statute was last modified in 1990. The existing cap on registration fees would be increased from \$200 to \$600 per craft. A new minimum \$20 fee would be imposed to cover the administrative cost of registering very light aircraft and those experimental aircraft with no manufacturer's certified maximum weight. Any increased revenue would be used to fund aeronautics programs authorized under Title 21. This proposal is in conjunction with another proposal to delete the requirement for pilot registration. Aircraft registration is easy to administer since the Federal Aviation Administration (FAA) has a good data base of registered aircraft in the state. The existing statute provides that aircraft registration is in lieu of personal property tax on aircraft. Owners who do not register have their information forwarded to the appropriate county assessor for personal property taxation, which is significantly higher than the registration fee. This provides an enforcement mechanism for this registration requirement.

### **FISCAL NOTE**

The average aircraft in the state pays approximately \$30 per year under the old provisions. This would increase to \$90 per year under the proposed change, which is significantly lower than similar types of fees in most states. The cap of \$200 will be increased to \$600 per aircraft and with the fee increase from one cent to three cents per pound, this will affect the same number of aircraft (17). A new minimum fee of \$20 is proposed to cover the cost of registering very light aircraft and those experimental aircraft with no manufacturer's certified maximum weight. Currently, there are 82 such crafts registered in Idaho.

This increase in aircraft registration fees would generate approximately \$167,000 in additional revenue annually based on FY12 revenue and accounting for the \$20 minimum and the \$600 cap.

If this legislation does not pass, the Division of Aeronautics will face serious fiscal challenges in maintaining targeted levels of investment and services in its programs.

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